



**Florida
Department
of
Insurance**

Holocaust Survivor Proposal

projected implementation: January 01, 2000

HOME HEALTH CARE COVERAGE

Location of coverage

- Home
- Adult day care facility
- Hospice care facility

Additional benefits

- Caregiver training
- Emergency medical response system
- Respite care
- Alternate plan of care
- Care coordination advisor

Eligibility to receive benefits

- Certified as chronically ill by a licensed health care practitioner
- Unable to perform at least two Activities of Daily Living
- Care provided by a Plan of Care approved by a licensed Health Care Practitioner

Benefits

- Average of 8 hours per day in home care
- Lifetime coverage
- 0-day elimination period, i.e. first day coverage
- No cost to the eligible individual

COVERAGE AVAILABLE TO ELIGIBLE INDIVIDUALS

- Home Health Care policy issued by Lead Insurer
- Coverage provided at no cost to individual
- Individuals will be issued paid-up coverage
- Coverage: Average 8 hours per day in home care, 0-day elimination period, lifetime benefit period coverage
- Guaranteed issue – no underwriting standards to pass
- Qualification – eligibility based solely on being a holocaust survivor
- Coverage available January 01, 2000

ENROLLMENT PROCESS

- Lead Insurer will provide all enrollment or application forms necessary
- Lead Insurer will provide product description material
- The Department will be responsible for contacting all eligible individuals and provide enrollment material
- Lead Insurer will be provided completed applications with no direct marketing costs
- Lead Insurer will issue a policy and provide the Department with the policy and outline of coverage for delivery to eligible individuals

ADMINISTRATION

- Lead Insurer will perform all claims administration
- Lead Insurer will issue an individual policy form with an identifiable plan code to isolate this business from standard policy issues
- Lead Insurer will isolate all experience and reserves

RISK SHARING

- Experience shall be shared among the consortium of participating insurers
- Business will be reflected on Lead Insurer books with participants reflected through reinsurance arrangements and credits
- Lead Insurer shall be permitted to reflect reserve credits for the participating insurers

ACCOUNTING

- Lead Insurer shall reflect premium income of \$1,300/year/insured contributed by all participating insurers
- Participants shall record their portion of the premium as due to Lead Insurer but are able to retain such funds
- Lead Insurer shall process and pay claims
- Lead Insurer shall calculate and determine the statutory active life reserve to be held for statutory reporting purposes
- Lead Insurer shall provide quarterly reporting to participating insurers and the Department of:
 - Quarterly premium
 - Cumulative premium from inception of the program
 - Quarterly claims paid
 - Cumulative claims paid from inception of the program
 - Administrative costs paid
 - Cumulative administrative costs paid from inception of the program
 - Claims reserve
 - Number of inforce policies
 - Number of insureds on-claim
 - Active life reserve
 - Annual premium coming due in the next quarter
- Participating insureds shall record their portion of the ALR and Claim reserve
- Lead Insurer may take reserve credit for participant's reserve established
- Participants shall remit their portion of claims and administrative costs paid quarterly to Lead Insurer
- Participants shall record as a liability as a premium due to Lead Insurer the value of the cumulative premiums less cumulative claims less cumulative administrative costs, if positive

BENEFIT TO PARTICIPATING INSURERS

- Provide social good without large immediate cash divestiture
- Marketing and public relations advertising
- Fund obligation from future earnings
- Retain reserve funds for control of investment decisions
- Retain earnings on reserve funds
- Remit funds for claim payments only on a cash basis
- Participants do not remit funds for premium payments or prefunding
- Positive experience results in benefit to participants
- Participants do not have to pay funds unless actual claims emerge
- Participants benefit from under-utilization, case management controls
- Reinsurance arrangement designed to fund claims on a pay-as-you-go basis with reserves and liabilities for future claims and funding commitments to be retained by the participating insurer

ESTIMATED COST

- \$1,300/year/insured – assuming 10,000 insureds– 11 participating insurers
- \$10,000,000 initial funding provided by Holocaust Trust Fund
- The assumed level annual funding is \$1,100,000/year/participant
- Estimated cost to fully prefund 10,000 lives would be \$16,000,000/participant
- Obligation for future premiums is not recorded as a liability